



BALDWIN • LIMA • HAMILTON

Annual Report

1958

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BALDWIN-LIMA-HAMILTON CORPORATION

EXECUTIVE OFFICES—PHILADELPHIA NATIONAL BANK BUILDING
PHILADELPHIA 7, PA.

BOARD OF DIRECTORS

HENRY F. BARNHART	<i>Lima, Ohio</i>
H. E. COOMBE	<i>Cincinnati, Ohio</i>
JOSEPH N. EWING	<i>Valley Forge, Pennsylvania</i>
EDWARD HOPKINSON, JR.	<i>Chestnut Hill, Pennsylvania</i>
McCLURE KELLEY	<i>Glen Moore, Pennsylvania</i>
ERWIN LOEWY	<i>New York, New York</i>
JAMES H. MCGRAW, JR.	<i>New York, New York</i>
FREDERIC A. POTTS	<i>Ambler, Pennsylvania</i>
WILLIAM WOOD PRINCE	<i>Chicago, Illinois</i>
GEORGE A. RENTSCHLER	<i>New York, New York</i>
WALTER A. RENTSCHLER	<i>Hamilton, Ohio</i>
JOHN J. ROWE	<i>Cincinnati, Ohio</i>
LOUIS FENN SPERRY	<i>Scarsdale, New York</i>
MILTON STEINBACH	<i>New York, New York</i>
RALPH K. STILES	<i>Hillsborough, California</i>
JAMES M. WHITE	<i>Philadelphia, Pennsylvania</i>
PERRY A. WHITE	<i>Wallingford, Pennsylvania</i>

EXECUTIVE OFFICERS

GEORGE A. RENTSCHLER	<i>Chairman of the Board and Chairman of the Operations Committee</i>
McCLURE KELLEY	<i>President</i>
JAMES M. WHITE	<i>Vice President—Manufacturing</i>
ANDREW LISTON	<i>Vice President—Sales</i>
R. NEVIN WATT	<i>Vice President and Assistant to the President</i>
CHARLES E. ACKER	<i>Vice President, Secretary and Treasurer</i>
ROBERT P. BAUER	<i>General Controller</i>

TRANSFER AGENTS

IN PHILADELPHIA	<i>Fidelity-Philadelphia Trust Company</i>
IN NEW YORK	<i>Bankers Trust Company</i>
IN CINCINNATI	<i>The Fifth Third Union Trust Company</i>

REGISTRARS

IN PHILADELPHIA	<i>The First Pennsylvania Banking and Trust Company</i>
IN NEW YORK	<i>The First National City Bank of New York</i>
IN CINCINNATI	<i>The Central Trust Company</i>

SUMMARY

	<u>1958</u>	<u>1957</u>
Net sales	\$133,200,000	\$184,400,000
Net income	\$4,567,000	\$6,431,000
Per share	\$1.07	\$1.48
Cash dividends declared	\$2,576,000	\$2,175,000
Per share	\$.60	\$.50
Shareholders' book equity	\$113,315,000	\$112,425,000
Per share	\$26.58	\$25.83
Working capital	\$75,929,000	\$72,276,000
Per share	\$17.81	\$16.61
Additions and improvements to facilities	\$2,832,000	\$4,711,000
Depreciation and amortization charged to income ...	\$3,313,000	\$3,397,000
Orders received	\$120,544,000	\$186,366,000
Orders unfilled	\$66,473,000	\$87,149,000
Number of shares outstanding at end of year	4,263,785	4,351,985
Number of shareholders	20,266	21,163
Number of employees	7,987	10,174

TO THE SHAREHOLDERS:

Net income of Baldwin-Lima-Hamilton Corporation for the year 1958 amounted to \$4,566,510 or \$1.07 per share, compared to \$6,430,545 or \$1.48 per share for the year 1957.

The "Summary" on page 1 of this report sets forth certain corporate facts. To comment briefly on these:

As pointed out two years ago and again at this time last year, there were threatening clouds on the business horizon. As these clouds broke, the demand for capital goods slumped in common with the deterioration in other businesses. Incoming orders did not keep pace with shipments and backlog was eroded—nevertheless, expenses were so controlled that the percent of profit to sales was almost in the same proportion as the previous year, despite a drop of 30% in shipments.

As inventories and receivables were partially liquidated, the Company's cash position improved. This permitted payment of remaining bank loans and temporary investment in United States Treasury Bills and other short term securities. These funds will be needed in the business as sales expand.

Company funds were provided to purchase 88,400 of its own shares at an average price of approximately \$12.50 per share. These shares were placed in the treasury. The total contribution to the pension funds was equal to the current service costs.

Our properties have been well maintained, authorized expenditures having slightly exceeded depreciation accruals.

Research and engineering betterments have been energetically pursued in all Divisions. Certain of these accomplishments are touched upon in the following pages.

The recovery in this country from the recession lows of last spring has been broad and vigorous. A certain improvement in the demand for capital goods has developed and we have experienced in recent weeks a pick-up in inquiries and orders booked. It is difficult to forecast how long this improvement will continue but the

present situation shows more promise than for several months past. Nevertheless, we are still very much concerned about the wage-price spiral and its effect upon the country's economy. Wage increases without improvement in productivity can, in our opinion, prove disastrous. Other areas of continued maladjustment should be recognized as real and serious, for example, the high cost of government—whether city, state or national—a program of living beyond income. Society seems determined to spend more than it earns and this leads to inflation.

In concluding, Management wishes to express its thanks to the officers and employees of the Company for their wholehearted support in the year just ended, knowing also that a similar effort will be made to meet whatever difficulties lie ahead.

MCCLURE KELLEY

President

GEORGE A. RENTSCHLER

Chairman of the Board

March 5, 1959

Herewith follow comments of the various Division Administrators with respect to their activities in the year 1958.

EDDYSTONE DIVISION

EDDYSTONE, PENNSYLVANIA

Perry A. White, *Vice President and General Manager*

PRODUCTS

Commercial Weldments and Fabrication • Diesel Engines • Water Power Turbines
Dump Cars • Brass and Bronze Castings • Ship Propellers
Diesel Renewal Parts • Equipment for
Nuclear Development

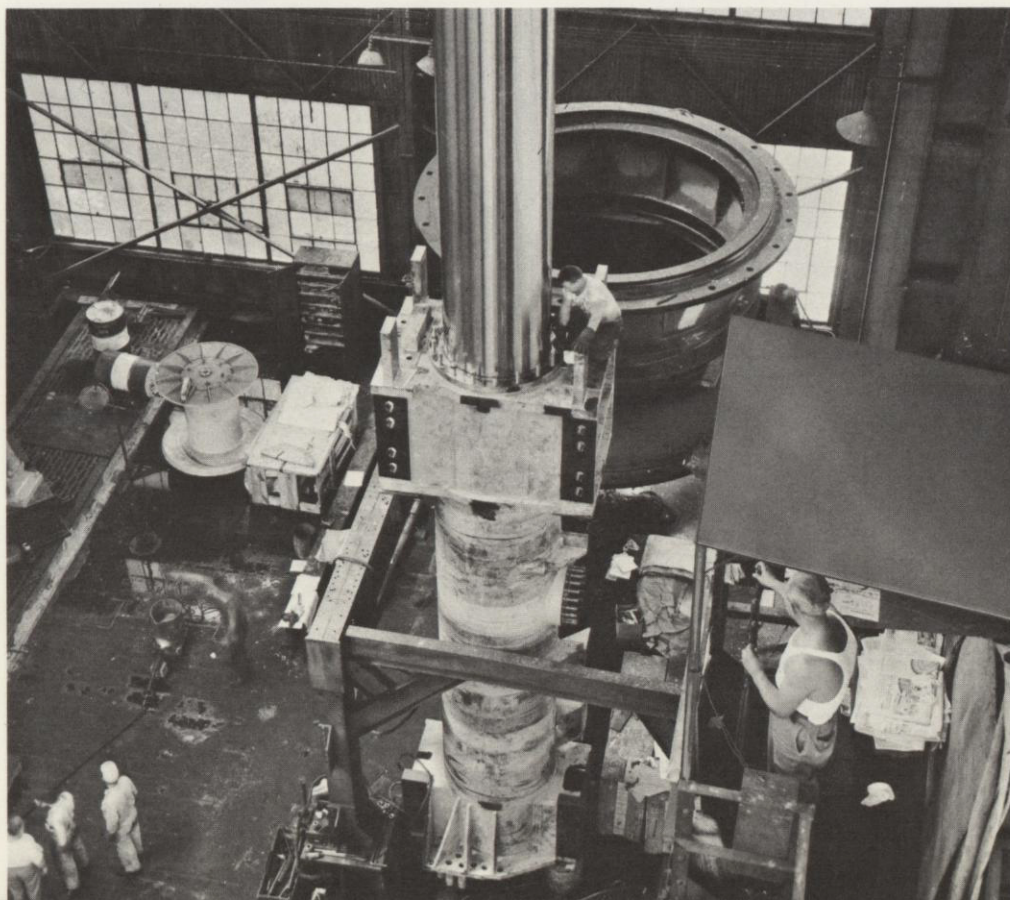
You will recall that major physical changes were completed in 1957 at the Eddystone plant. Further improvements were continued there. This program permitted Eddystone to operate on a profitable basis.

Bookings of new business during the year were somewhat disappointing. The upturn in the general economy which became apparent in the last quarter of 1958 has not as yet produced any substantial volume of orders. However, inquiries are currently more numerous and there is promise that new business will be booked in sufficient amount to maintain a satisfactory level of operation.

Outstanding shipments during the year included two 90,000 h. p. hydraulic turbines for the Garrison Dam and four 85,000 h. p. turbines for the St. Lawrence Dam. This Division also shipped a magnet core, weighing 15½ tons, each working day beginning in April, for the world's largest atom smasher at Brookhaven National Laboratories. A total of 164 cores were shipped as of December 31, 1958.

The Research and Development Department of this Division is actively pursuing the development of new products and is also investigating power producing equipment utilizing various types of fuel.

Hydraulic engine for aircraft carrier deck elevator is shown being assembled in erection bay of Eddystone Division.



HAMILTON DIVISION

HAMILTON AND MIDDLETOWN, OHIO

W. F. Boyle, *Vice President and General Manager*

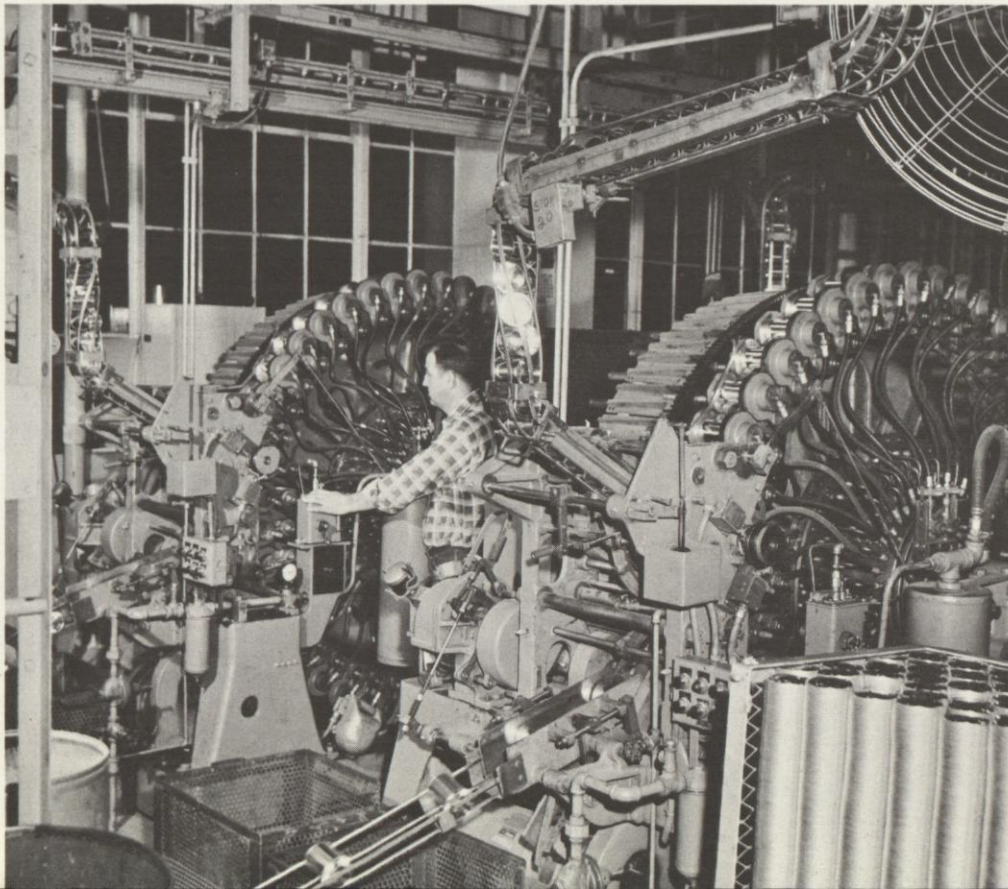
PRODUCTS

Forming and Stamping Presses • Mechanical and Hydraulic Presses • Compacting and Injection Molding Presses • General Purpose Industrial Machine Tools including Building Block Type Production Machines • Railroad Machine Tools including Automated Wheel and Axle Processing Equipment • Slow, Medium and High Speed Heavy Duty Diesel and Dual-Fuel Engines and Power Transmission Equipment • Can Making and Food Processing Machinery • Continuous Automatic Manufacturing Systems and Defense Products
Glass Grinding and Polishing Machinery

The sales of heavy mechanical presses, one of Hamilton's important product lines, declined to unusually low levels during 1958 due largely to the lack of demand by the automotive industry. General business conditions also affected adversely the sale of other products of this Division which are mostly of the capital equipment type. To meet this situation, the organization and facilities of the Division were rearranged to reduce operating expenses wherever possible.

New products and activities were acquired. For example, Hamilton has turned its attention in part to the field of automatic machinery, particularly in the processing of foods. Significant also is a new power transmission department, supplying key equipment to the growing nuclear submarine program. We are busy in production of components for atomic aircraft engines and guided missiles.

Hamilton is striving to be less cyclical in the future through greater diversification by product and industry.



Hamilton can making machinery in use at Hershey Chocolate Company, Hershey, Pa.

LOEWY-HYDROPRESS DIVISION

111 FIFTH AVENUE, NEW YORK 3, N. Y.

Erwin Loewy, *Vice President and General Manager*

Hugo Lorant, *Vice President*

PRODUCTS

FOR FERROUS AND NON-FERROUS METALS

Hot and Cold Rolling Mills • Forging and Extrusion Presses • Heavy Hydraulic Machinery • Pipe Testers • Pumps • Accumulators • All Steel Mill Equipment

INDUSTRIAL ENGINEERING

Engineering Surveys • Complete Metalworking Plants • Automated Weighing, Stenciling and Handling Equipment for Pipe and Steel Mills

MISSILE HANDLING AND LAUNCHING SYSTEMS

Loewy-Hydropress Division, despite the reduced activity in the heavy capital goods industry, closed the year with a backlog which was only slightly below the previous year's high level. Export sales have held up despite keen competition, especially from European sources. Such sales represent about 25% of new orders booked.

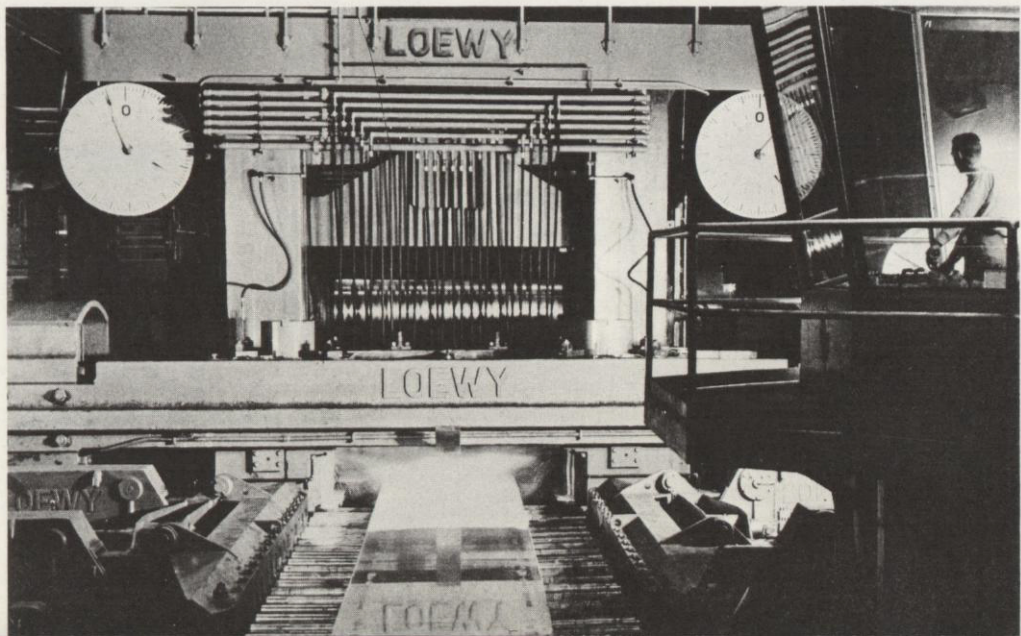
New development and special features which have been incorporated in the design of our extrusion presses have found world-wide recognition. This is evidenced by the fact that more than ten of these large installations were booked during 1958.

A large number of research and development contracts have also been secured, including the design of various missile handling and launching devices and automation of production lines. A ship motion simulator has been put in successful operation at Cape Canaveral and a number of inquiries for similar equipment have been received.

Also delivered during the year were a flying shear supplied to Keystone Steel & Wire Co. in Peoria, and an automatic high speed structural steel mill finishing installation at the South Chicago plant of the U. S. Steel Corporation, which includes a number of innovations with regard to design of shears, automatic controls, etc.

Of major importance to this Division is the receipt of our first order for an integrated steel rolling mill for installation in this country. This order comprises a continuous billet mill, a merchant mill, and a roller type cooling bed. The latter will be the first with an efficient pack annealing and unscrambling device for spring steel. A new concept of the finishing mill is the application of horizontal and vertical mill housings which are interchangeable with minimum loss of production time and which avoid twisting of bars during rolling.

Loewy-Hydropress 110" 4-High reversing hot mill installed at Kaiser Aluminum and Chemical Corporation, Ravenswood, W. Virginia.



STANDARD STEEL WORKS DIVISION

BURNHAM, MIFFLIN COUNTY, PA.

John D. Tyson, *Vice President and General Manager*

PRODUCTS

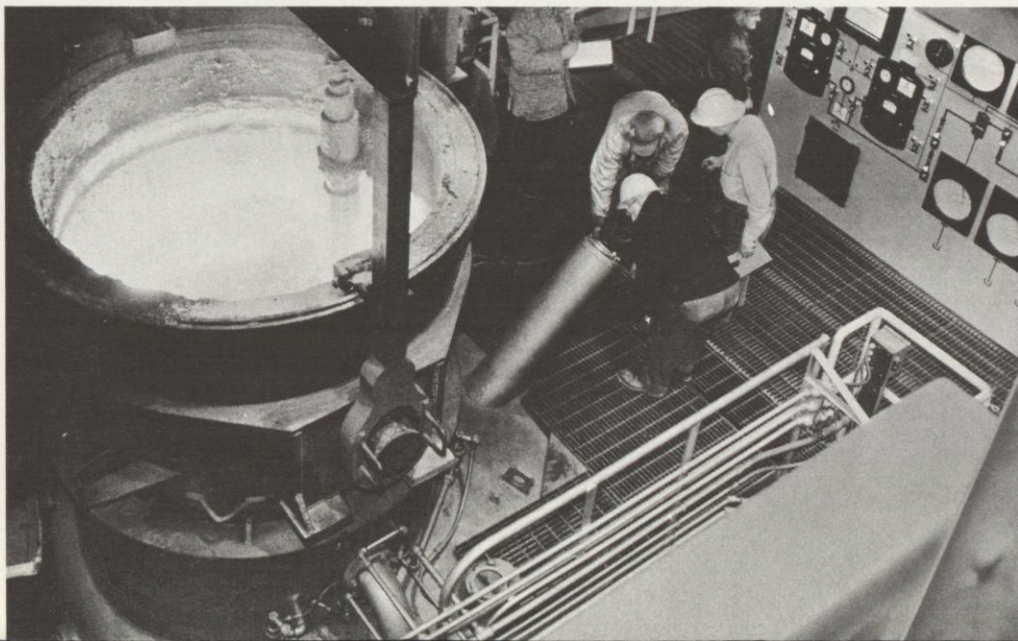
Steel Forgings • Steel Castings • Steel Tires • Wrought Steel Wheels • Steel Springs
Weldless Rings and Flanges

Orders booked and shipments of this Division were at the lowest level in some years due to the depressed condition of the capital goods industry as well as the railroads. However, bookings showed an upward trend during the last few months of the year. It is anticipated that this trend will continue.

Despite lower bookings a considerable number of new accounts were secured and the year 1958 saw Standard Steel expand still further into the field of stainless and super alloy steels. The electric arc melting furnace which was installed the latter part of 1957 has been of primary importance in Standard's expansion into this field. Rings and forgings of a number of new designs and many new types of alloys were produced, principally for the jet engine, rocket and missile fields.

New machine tools and other facilities were added to our plant account. In the Foundry two new processes have been introduced during the year. One of these is the Kold-set process which eliminates the necessity for ramming and reinforcing cores and permits the production of castings which could not heretofore be made. The other is the Arcair process for removing fins, pads and other surface conditions of castings at a much more rapid rate with a considerable decrease in the cost of finishing. Both of these processes permit the production of castings with superior surface finishes.

The major capital expenditure during the year covered the installation of equipment for the pouring of steel in a vacuum, commonly known as the vacuum stream degassing system. This method results in a considerable reduction in quantity of free hydrogen present in the final product and minimizes the sensitivity of the steel to formation of interior cracks. The fact that the stream does not come in contact with air during pouring also reduces the quantity of non-metallic inclusions present in the steel with consequent improvement in physical properties. The installation of this equipment permits Standard to enter product fields which it could not serve before and is a most valuable adjunct to its facilities.



Vacuum pouring of a heat from new electric furnace at Standard Steel Works Division. This equipment permits manufacture of highest grade alloy steels.

PELTON DIVISION

SAN FRANCISCO 10, CALIFORNIA

Morgan White, *Vice President and General Manager*

PRODUCTS

Water Power Turbines • Governors and Controllers for Water Power Turbines
Large Centrifugal Pumps • Hydraulic Valves for Power Stations • Butterfly
and Spherical Valves for Water Works • Surge Suppressors and Air Valves
for Waterline Protection • Water Strainers • Balancing Machines
Flow-Indicator Alarms • Hydraulic Oil Well Pumping Jacks

During 1958 this Division completed for the Pacific Gas & Electric Company three major installations comprising six hydraulic turbines which will develop a total of 470,000 h. p. As a matter of interest, one of these installations is located in a large cavern 500 feet below the surface of a granite mountain.

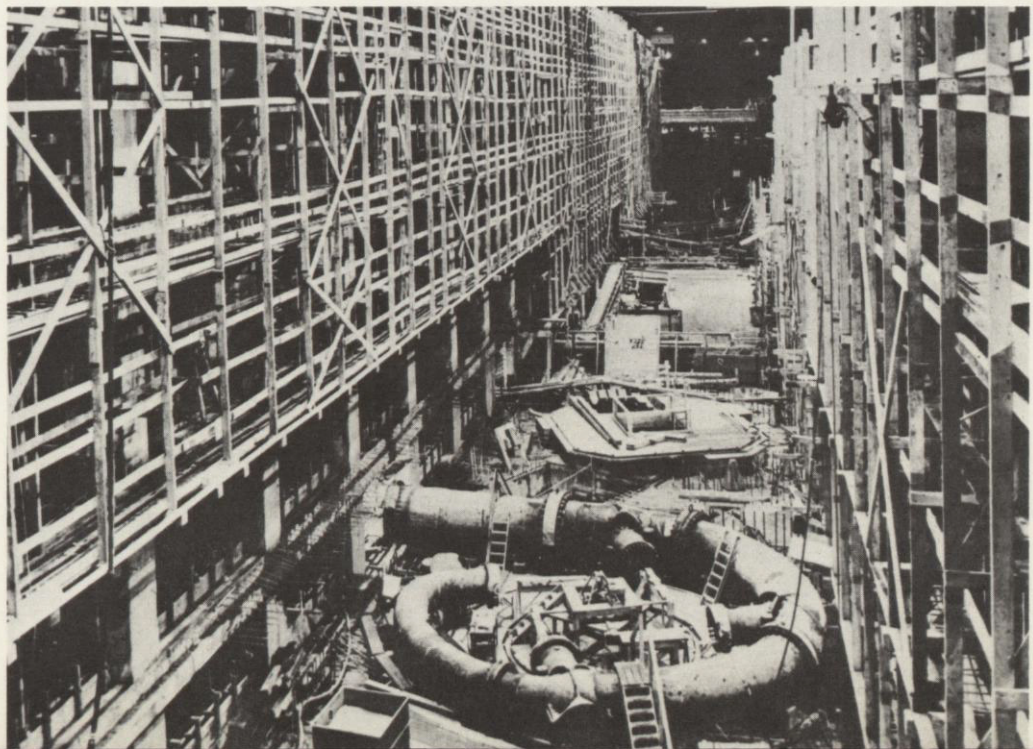
Shipments during the year also included 20 governors which will control hydraulic turbines having an output of 1,360,950 h. p. Pelton has made steady progress in this field since it designed and produced its first governor ten years ago.

The Hydraulic Testing Laboratory of this Division has been modernized during the past year. Principal tests planned pertain to (1) the development of means to modernize old turbine installations, (2) the establishment of valve design data and (3) development testing in the new field of pump storage which in effect provides a "storage battery" by making excess off-peak power available to help meet maximum power demands.

Research also includes the design and testing of a new line of valve operators which is expected to be introduced to the market during 1959. Other activities include the development of a rubber-seated valve line for water works service; development of a "Mud Turbine" for use in oil well drilling, and various special flow and control devices for hydraulic service.

Inquiries at the year-end indicate a reversal of the downward trend of bookings experienced during 1958.

Interior view of Kemano (British Columbia) power house of The Aluminum Company of Canada, during construction stage, showing one of three 150,000 h.p. Pelton Turbines.



ELECTRONICS AND INSTRUMENTATION DIVISION

WALTHAM, MASSACHUSETTS

Robert G. Tabors, *Vice President and General Manager*

PRODUCTS

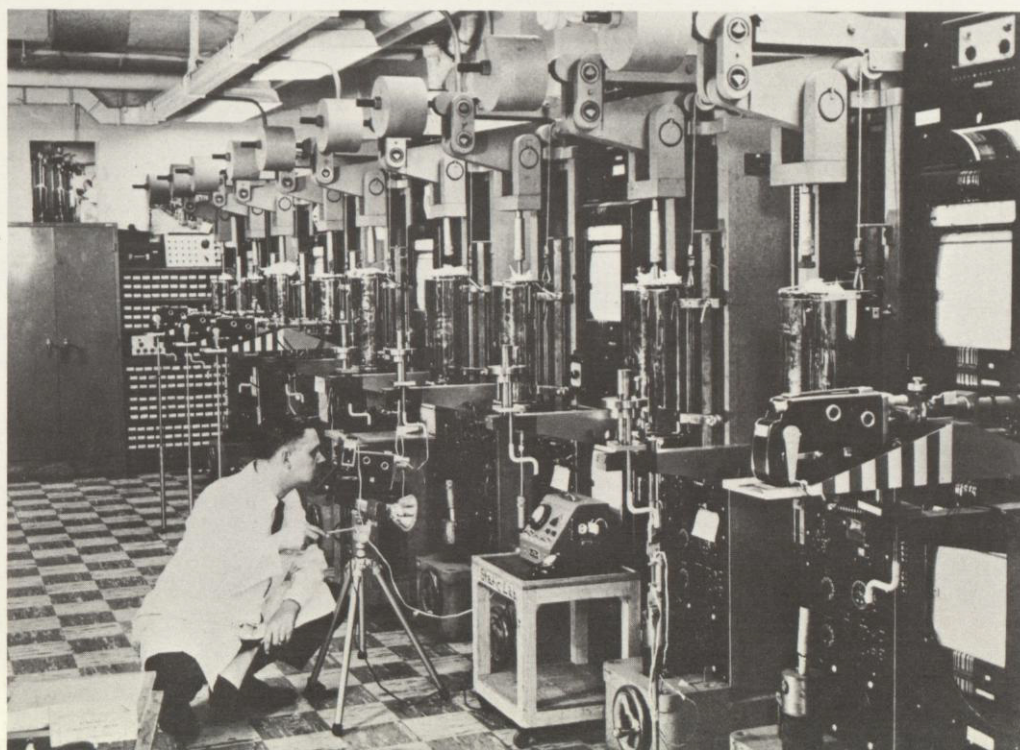
SR-4® Strain Gages • Torque Pickups • Load Cells • Pressure Cells • Associated Electronic Instrumentation • Universal Testing Machines • Fatigue Machines • Creep Machines • Impact Machines • Testing Machine Accessories

During 1958 the Electronics and Instrumentation Division made significant advances in its production and inventory control and order processing systems. A number of important new designs were added to our growing line of etched foil strain gages, including temperature-compensated and high temperature types which will find extensive application in the aircraft and missiles design field. A new Multi-channel Scanner-Recorder, an instrument which records automatically the output of as many as 200 strain gages at one time, was developed and placed in successful operation.

The first ten models of a weighing device were incorporated in fork lift trucks and evaluated under actual operating conditions. Results of the tests were extremely satisfactory and are expected to develop sizeable orders for this type of weighing unit during 1959.

Other applications of the SR-4® systems include (1) a milk weighing installation for a dairy in Washington, D. C., (2) a highly accurate system for calibrating the controls which regulate fuel level in missile fuel tanks and (3) unique weighing platforms for determining the center of gravity of loaded aircraft prior to take-off.

Considerable progress was made in research and development of fatigue (simulated service) testers, and a number of these, known as I-V models, were fabricated and shipped. A miniaturized pressure cell, employing the SR-4® strain gage, has been developed and shows a high sales potential.



Bank of B-L-H 20,000 pound creep testers built by the Electronics and Instrumentation Division in use at The Martin Company. Here, a motion picture camera records results of force applied to test specimens in the creep machines.

CONSTRUCTION EQUIPMENT DIVISION

Henry F. Barnhart, *Divisional General Manager*

LIMA WORKS

LIMA, OHIO

Henry F. Barnhart, *Vice President and General Manager*

PRODUCTS

Power Shovels • Cranes • Draglines • Pull Shovels • Rock Crushing Equipment
Roadpackers

Although sales of Lima products during the major portion of 1958 dipped under the previous year's level, the closing months of the year saw increased activity in the construction equipment business and prospects for 1959 are encouraging.

Lima had a good year overseas. We were successful in placing Lima-built machines around the globe for application to such diversified projects as Brazilian irrigation, pipe lines in Algeria and coal stripping in England.

Here at home, Lima construction equipment also continued to receive excellent customer acceptance. Outstanding in construction progress is the now famous Niagara Power Project where Lima shovels and cranes are being used extensively for heavy rock excavation and concrete pouring.

1958 saw the completion of the design and construction of two pilot models of a 4½ cubic yard shovel-dragline which are undergoing rigid testing in the Lima plant. Other noteworthy engineering accomplishments during the year included final development of a 1¼ cubic yard shovel and four new additions to the rock crushing equipment line, all of which were introduced with pleasing results. Progress is also being made in the design and manufacture of a Super-Roadpacker which we expect to market early in 1959.

Capital expenditures for modern machine tools and a continuing program of plant rearrangement have permitted even better cost control than that previously attained.

Lima Dragline with 120-foot boom and 6½ cubic yard bucket, at work on The Niagara Power project.



AUSTIN-WESTERN WORKS

AURORA, ILLINOIS

Charles M. Lippincott, *Vice President and General Manager*

PRODUCTS

Road Graders • Hydraulic Cranes • Compaction Equipment • Street Sweepers

Despite adverse general business conditions, Austin-Western experienced a reasonably satisfactory year. Orders were well distributed among the various products and included one unusually large item for 200 hydraulic cranes for military purposes.

The year 1959 will witness the completion by Austin-Western of 100 years of manufacturing activity in the construction equipment field. It has been a pioneer in the development of equipment for the earth-moving, materials-handling and construction industry and, among others, originated such features as tandem drive and leaning front wheels, and the all-wheel drive and steer principle for road graders.

1959 also will see the introduction of five completely new classes of power graders and the modification and redesign of current models which, together with the introduction of power shift and power reverse transmissions, will give Austin-Western a machine to fit practically every road construction and maintenance requirement.

The success of Austin-Western's hydraulic crane has prompted further expansion in this field. Included is a 10-ton unit which doubles the capacity of the standard crane, a 7½-ton lattice boom model mounted on the current crane chassis, and a completely new 3-ton telescoping boom crane of 3-wheel design which has been developed to meet the growing need for low capacity yard operations.

MADSEN WORKS

LA MIRADA, CALIFORNIA

Henry F. Barnhart, *Vice President and General Manager*

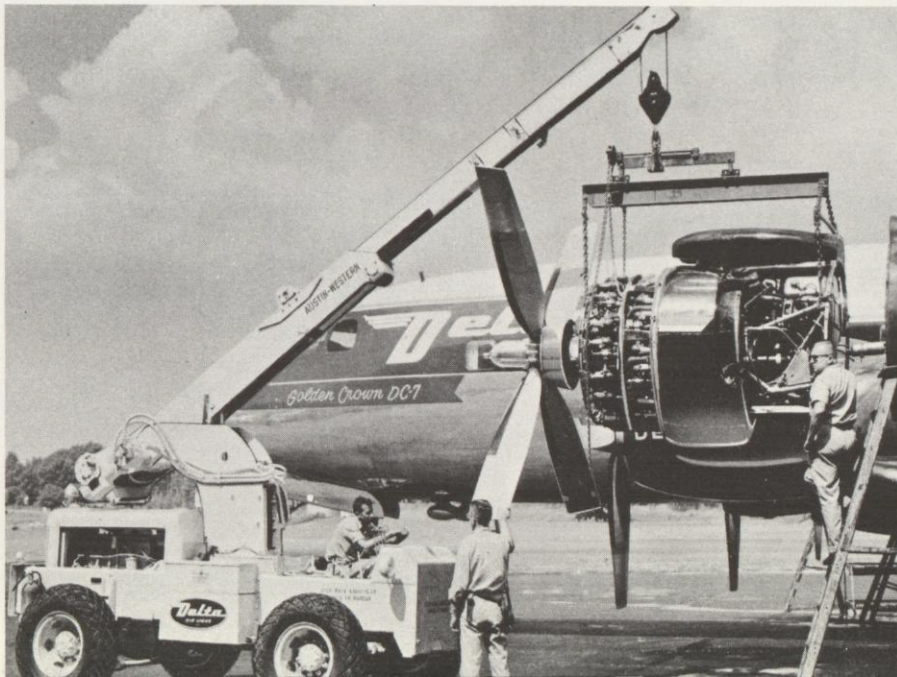
Walter M. Madsen, *Vice President in Charge of Research and Development*

PRODUCTS

Asphalt Paving Plants • Aggregate Dryers, Dust Collectors • Cement Float Finishers

Madsen Works had a record year in terms of orders booked and shipments.

Research and development continues to be stressed at Madsen with special emphasis being placed on the development of new products. A concrete float finishing machine for highways and airports, having a maximum slab width capacity of 25 feet, will soon be ready for field testing. Another new product, a continuous stabilized base plant, is now well along in development and will be marketed during 1959. Engineering of the entire product line is under constant review in order to anticipate customer requirements for increased capacities and more efficient operation.



DC-7 engine which, with accessories and propeller weighs about 6,000 pounds, is installed easily and quickly with an Austin-Western Hydraulic Crane.

BALDWIN - L I M A - H A M

BALANCE

DECEMBER 31.

ASSETS	1958	1957
CURRENT ASSETS:		
Cash.....	\$6,142,897	\$5,952,853
U. S. Treasury and other securities, at cost...	14,144,406	—
Trade receivables (less reserve, \$246,000 in 1958 and 1957).....	29,711,547	38,877,642
Mortgages receivable.....	17,500	486,750
Inventories at lower of cost or market (less reserve, \$551,000 in 1958 and \$651,000 in 1957)	46,977,331	55,886,467
Prepaid expenses.....	331,475	409,423
Total Current Assets.....	\$ 97,325,156	\$101,613,135
 TRADE RECEIVABLES—Not due within one year...	 6,057,950	 7,095,639
 MORTGAGES RECEIVABLE—Not due within one year	 144,375	 1,632,252
 INVESTMENTS—At cost.....	 550,631	 475,281
 PROPERTY, PLANT AND EQUIPMENT—At cost (less reserve for depreciation and amortization, \$45,940,165 in 1958 and \$45,358,911 in 1957)...	 31,764,161	 32,478,329
	<u>\$135,842,273</u>	<u>\$143,294,636</u>

The Executive Stock Option Plan provides that the Company may grant options to key executives of the Company to purchase not in excess of 200,000 shares of the Company's common stock at prices not less than 95% of market value at the time the option is granted. At January 1, 1958, options were outstanding for 108,300

ILTON CORPORATION

SHEET

1958 AND 1957

LIABILITIES		1958	1957
CURRENT LIABILITIES:			
Notes payable, banks.....	—	\$2,000,000	
Accounts payable, trade.....	\$6,623,742	10,900,401	
Dividend payable.....	640,393	652,498	
Advances on sales orders.....	2,109,764	1,275,798	
Provision for taxes on income.....	6,714,969	6,541,360	
Other taxes, wages, commissions, etc.....	5,306,908	7,967,293	
Total Current Liabilities.....	\$ 21,395,776	\$29,337,350	
RESERVES FOR PRODUCT GUARANTEES AND OTHER EXPENSES.....			
	1,131,000	1,532,769	
SHAREHOLDERS' BOOK EQUITY:			
Common stock, \$13 par:			
Authorized, 5,000,000 shares			
Issued, 4,782,778 shares.....	62,176,114	62,176,114	
Capital in excess of par value.....	26,836,298	26,836,298	
Accumulated earnings reinvested in the business	29,279,526	27,289,242	
	\$118,291,938	\$116,301,654	
Less treasury common stock at cost, 518,993 shares in 1958 and 430,793 shares in 1957...	4,976,441	3,877,137	
Total Shareholders' Book Equity.....	\$113,315,497	\$112,424,517	
	\$135,842,273	\$143,294,636	

shares, options for 8,400 shares had been exercised and 83,300 unoptioned shares were available under the Plan. During 1958, options for 8,800 shares were granted, options for 8,550 shares terminated, and options for 200 shares were exercised. At December 31, 1958, options to purchase 108,350 shares for an aggregate of \$1,300,069 were outstanding and 83,050 unoptioned shares were available under the Plan.

BALDWIN-LIMA-HAMILTON CORPORATION

STATEMENT OF INCOME

	1958	1957
INCOME:		
Net sales.....	\$133,183,779	\$184,369,098
Royalties and licenses.....	481,709	660,906
Interest earned.....	797,309	771,389
Net profit on sale of property.....	761,534	301,636
Miscellaneous.....	100,282	157,165
Total.....	<u>\$135,324,613</u>	<u>\$186,260,194</u>
COSTS AND EXPENSES:		
Cost of products sold including engineering, selling and administrative expenses.....	\$122,135,398	\$167,335,084
Depreciation and amortization.....	3,312,854	3,397,322
Contributions for employees' retirement.....	1,698,423	2,984,323
Taxes on income.....	3,600,000	5,540,000
Interest and miscellaneous.....	11,428	572,920
Total.....	<u>\$130,758,103</u>	<u>\$179,829,649</u>
NET INCOME.....	<u>\$4,566,510</u>	<u>\$6,430,545</u>
Per share — Outstanding at end of year, 4,263,785 shares in 1958 and 4,351,985 shares in 1957.....	\$1.07	\$1.48

BALDWIN-LIMA-HAMILTON CORPORATION

STATEMENT OF ACCUMULATED EARNINGS REINVESTED IN THE BUSINESS

	1958	1957
Balance, January 1	\$27,289,242	\$23,033,930
Net income	4,566,510	6,430,545
Dividends declared	(2,576,226)	(2,175,233)
Balance, December 31	<u>\$29,279,526</u>	<u>\$27,289,242</u>

REPORT OF AUDITORS

To the Shareholders of

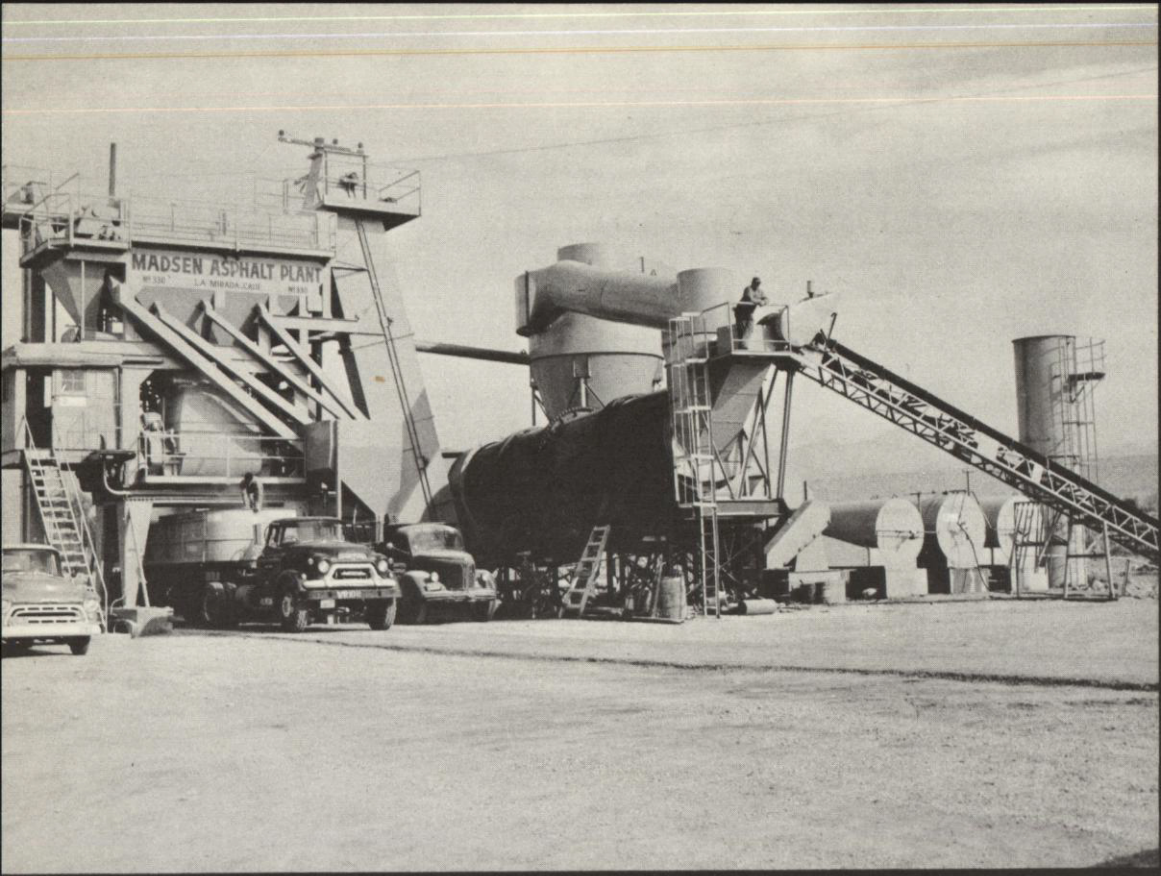
BALDWIN-LIMA-HAMILTON CORPORATION:

We have examined the balance sheet of Baldwin-Lima-Hamilton Corporation as of December 31, 1958, and the related statements of income and accumulated earnings reinvested in the business for the year then ended. We were unable to obtain confirmation of certain amounts due from the United States Government but we satisfied ourselves as to such amounts by other auditing procedures. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

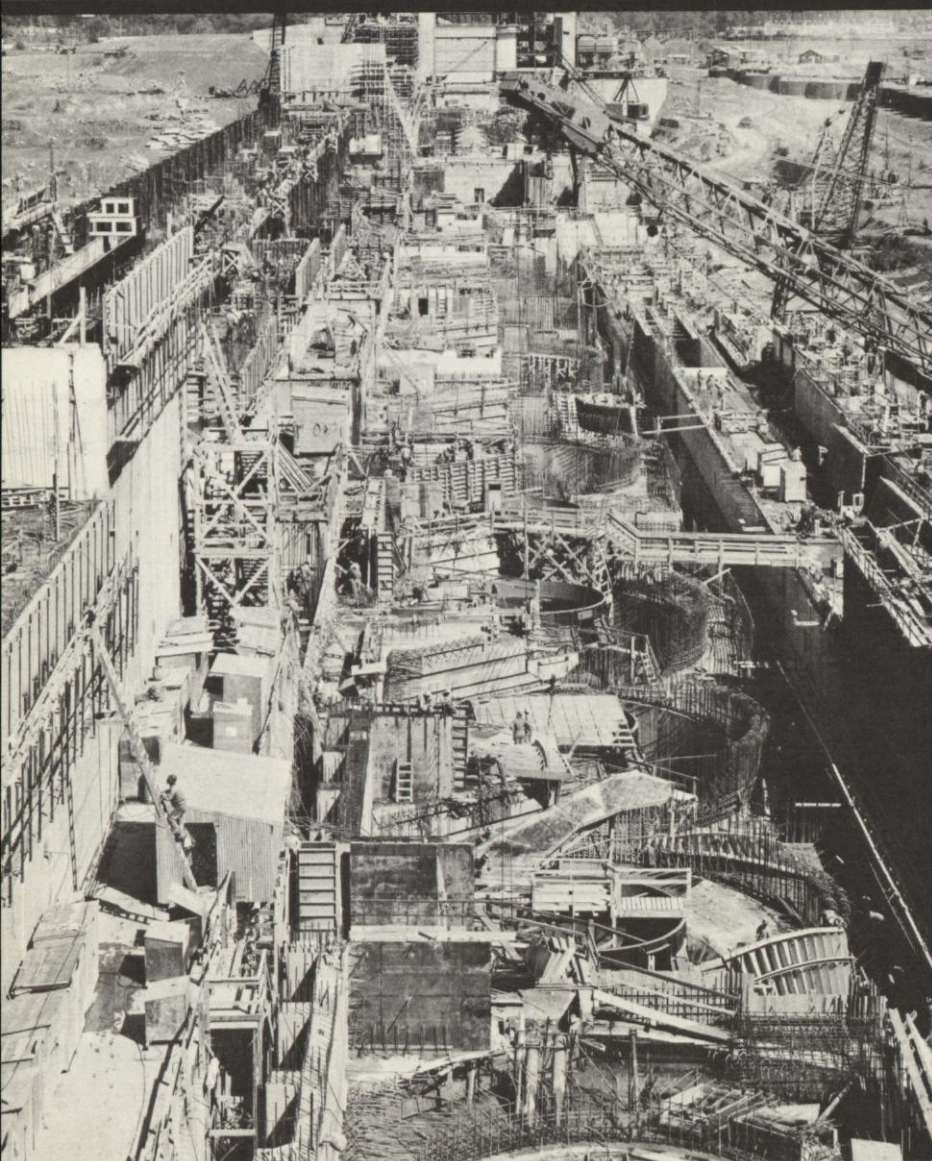
In our opinion, the accompanying financial statements present fairly the position of Baldwin-Lima-Hamilton Corporation at December 31, 1958, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

LYBRAND, ROSS BROS. & MONTGOMERY
CERTIFIED PUBLIC ACCOUNTANTS

Philadelphia, Pennsylvania,
February 2, 1959.

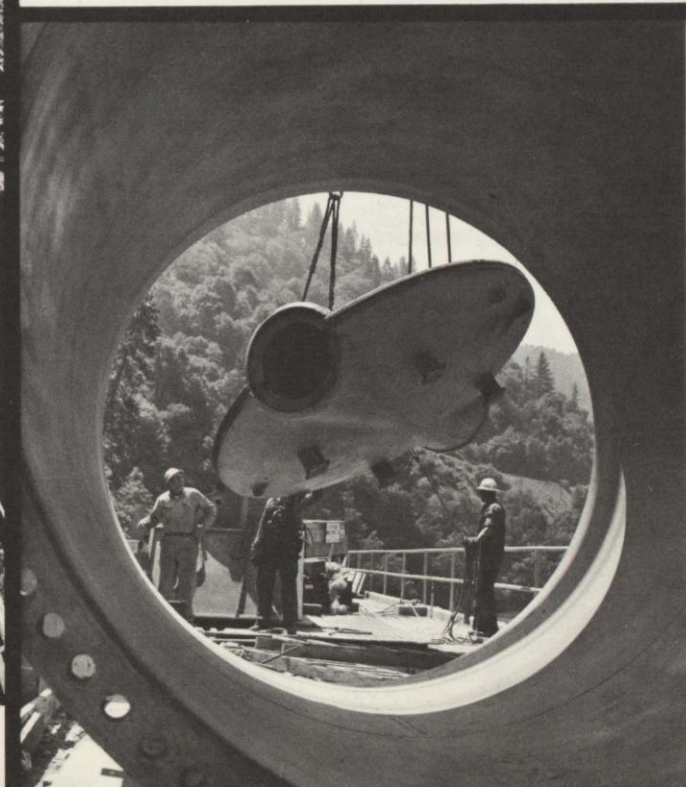


Madsen 6,000 pound capacity Asphalt plant shown at work at Monrovia, California.

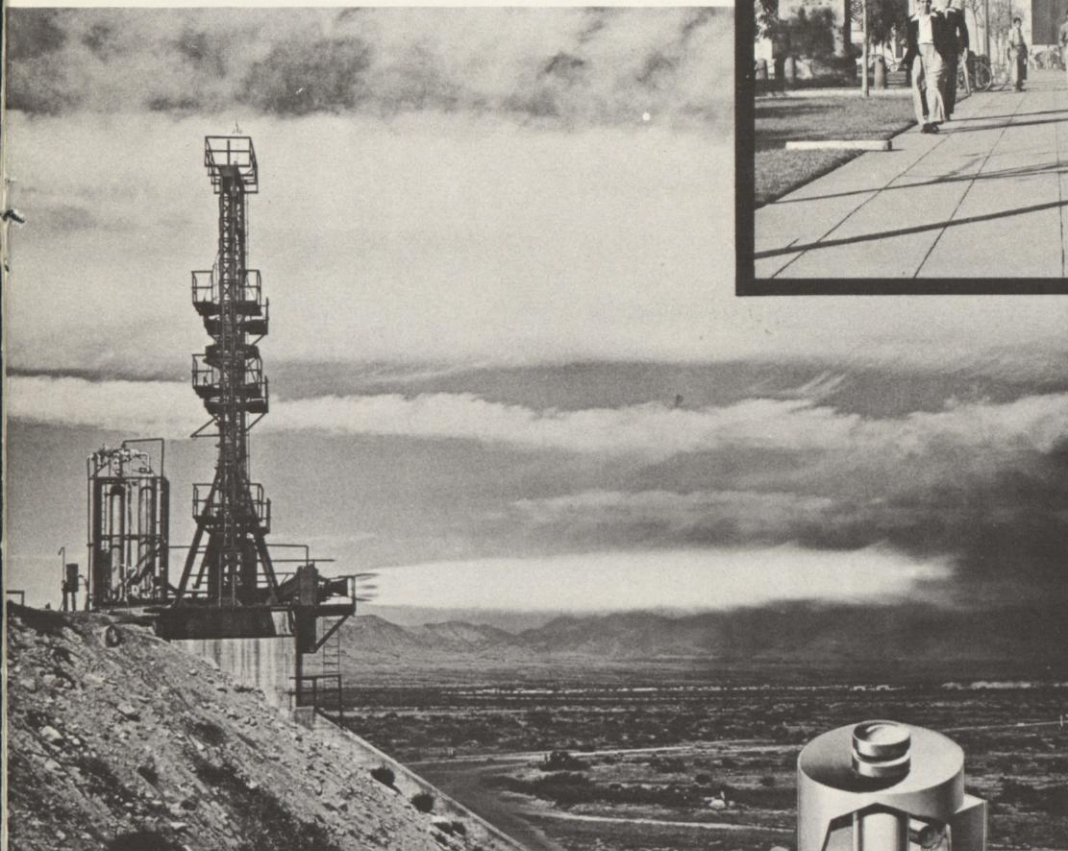


A section of the St. Lawrence power dam looking from the United States toward Canada. Eight 85,000 h.p. hydraulic turbines built by the Eddy-stone Division will be installed in these bays by mid-1959.

Pelton 138" Butterfly valve in process of assembly for the Poe Power House of the Pacific Gas and Electric Company.



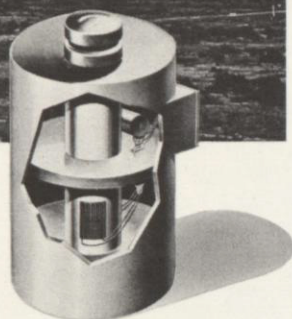
Austin-Western sweeper in use on the streets of the city of Guadalajara, Mexico.



BACK COVER

Lima crane with 100-foot boom setting a 15-ton Atlas Missile for display at Dallas, Texas.

SR-4® load cells, built by Electronics & Instrumentation Division, provide precision measurement of explosive rocket engine thrust in tests at military proving ground.



Ship motion simulator, designed and built by the Loewy-Hydropress Division, during test run at Cape Canaveral, Florida. This equipment will be used for test firing of the Navy's Polaris missile.

